



California Fair Political Practices Commission

January 25, 1989

Jeff Stark
P.O. Box 5303
Oakland, CA. 94605

Dear Mr. Stark:

Re: Your Request for Advice
Our File No. A-88-435

You have requested advice concerning your campaign disclosure obligations under the Political Reform Act.¹

QUESTIONS

1. May a recipient committee which is controlled by a candidate for an election held in 1988 or earlier continue to receive contributions in 1989 or later years for the purpose of paying the campaign debt incurred before 1989?

2. Are there any limits in 1988 or 1989 on contributions from a federal campaign committee to a recipient committee controlled by a candidate for a California state or local office?

CONCLUSIONS

1. A recipient committee which is controlled by a candidate for California state or local office may receive contributions in 1989 and in later years for the purpose of retiring campaign debt which was accumulated in 1988 or earlier. The total contributions which may be received by the candidate and by all committees controlled by the same candidate must be within the contribution limitations of Proposition 73.

¹Government Code Sections 81000-91015. All statutory referenes are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulatins are to Title 2, Division 6 of the California Code of Regulations.

2. In 1988 and earlier years there was no limitation on the amount of contributions which federal campaign committees could give to candidates for California state or local office. Starting January 1, 1989, a federal campaign committee which has not qualified as a California recipient committee may contribute no more than \$1,000 to any candidate for California state or local office, including all committees controlled by that candidate.

FACTS

You were a candidate for a California state or local office in 1988 or earlier. Your campaign committee currently has debt but does not have cash or other assets. You plan to raise funds in 1989 for the purposes of paying the debt held by your campaign committee.

ANALYSIS

Proposition 73, approved by the voters at the June 7, 1988 state primary election, imposes contribution limitations and other requirements on candidates for California state and local office and on persons and political committees which contribute to such candidates. Your first question concerns the activities of a campaign committee which has no assets and has carried forward into 1989 debts from a previous campaign for a California state or local office.

As of January 1, 1989, all individuals who intend to solicit or receive a contribution for California state or local office must file with the Commission a statement of intention. (Section 85200.) Although you intend to solicit and to receive contributions to liquidate the campaign debts from a previous election contest, you are required to file a statement of intention. Also you are required to have a single bank account for that purpose and to notify the Commission within 24 hours of establishing the bank account. (Section 85201.) All contributions and loans, including personal funds utilized to pay the debts, shall be deposited in the campaign account before expending. (Sections 85201(c) and 85201(d).)

In addition to the statements and notices described above, any contributions received from January 1, 1989 through June 30, 1989, and for each succeeding fiscal year, must be no greater than the contribution limits established by Proposition 73. (Sections 85102(a) 85301-85303, and 85305.) More specifically, a person may contribute or loan an aggregate of no more than \$1,000 to a candidate and to all committees controlled by that candidate (Sections 85102(b) and 85301(a).) A political committee may contribute or loan an aggregate of no more than \$2,500 to a candidate and to all committees controlled by that candidate. (Sections 85102(c) and 85302(a).) A broad based political committee and a political party may contribute or loan an aggregate of

no more than \$5,000 in a fiscal year to a candidate and to all committees controlled by that candidate. (Sections 85102(d) and 85302(b).)

Your second question concerns contributions to California state and local candidates which are made by federal campaign committees. The answer to your question is different for contributions which were made in 1988 or for contributions made in 1989 or in later years. Therefore, the response is separated for purpose of analysis.

Contributions in 1988 or Earlier Years

There were no limitations in 1988 or earlier years on the receipt of contributions from federal campaign committees by California state and local candidates or officeholders.² There is an exception to this for a committee which uses funds received prior to January 1, 1989 to support a candidacy after January 1, 1989. (Section 85306 and Regulations 18536, 18536.1 and 18536.2, copies enclosed.) Your California recipient committee is required to disclose receipt of contributions from any source, including a federal campaign committee. (Sections 82015 and 84211.)

Contributions in 1989 or Later Years

Proposition 73 established limitations on the amount of contributions which may be made to candidates for California state or local office (as described above). (Sections 85102(a), 85301-85305.) A federal campaign committee which has not qualified as a "recipient committee" under Section 82013, is a "person" for purposes of contribution limitations. (Section 85102(b).) A person may contribute no more than \$1,000 in a fiscal year to a candidate, including all committees controlled by that candidate. (Section 85301(a).) The federal campaign committee may qualify as a "political committee" or as a "broad based political committee."³ A political committee may contribute up to \$2,500 in a fiscal year to a candidate including all committees controlled by that candidate. (Section 85303(a).) A broad based political committee may contribute up to \$5,000 in a fiscal year to a

²Some local jurisdictions have adopted limitations on the amount and/or the source of contributions for candidates for office in their jurisdiction. (Section 81013.) Consult with the appropriate agency if the office you sought was in a local jurisdiction.

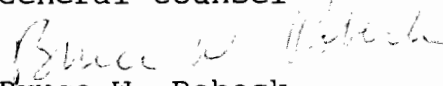
³When contributions of \$1,000 or more are received for the purpose of making contributions to California state or local candidates, a recipient committee has been created. (Section 82013(a).) A federal committee which received such earmarked contributions would be required to file a statement of organization and to file campaign disclosure statements. (Sections 84101, 84200.5 and 85200.6.)

candidate, including all committees controlled by that candidate.
(Section 85303(b).)

If you have further questions, you may call me at (916) 322-5662.

Sincerely,

Diane M. Griffiths
General Counsel


By: Bruce W. Robeck
Political Reform
Consultant

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November 7, 1988

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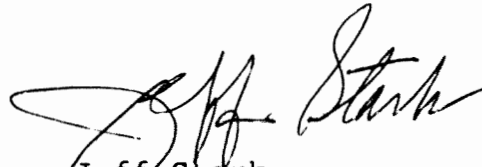
Dear Sirs:

It would be deeply appreciated if you could provide me with guidance on the following questions:

1. I have a campaign committee which has no assets and debts of approximately \$344,000. I am not currently a declared candidate for any office, but am making efforts to raise funds to retire the campaign debt.
 - a) Can the committee continue after 1989 without my declaration of candidacy for future office?
 - b) Is there any way that the committee can be designated as existing solely for debt retirement purposes?
 - 1) If yes, would there be limits on the amount that can be transfered to this committee from State committees?
2. Are there any limits on the transfer of funds from a Federal campaign committee to my campaign committee?
 - a) in 1988?
 - b) after 1988?

Any assistance you can provide in giving a response to these questions before the end of the year would be most deeply appreciated.

Sincerely,


Jeff Stark
P. O. Box 5303
Oakland, CA 94605